

ARIZONA INCOME TAX CREDITS

**Arizona Department of Revenue
Office of Economic Research and Analysis**

July 2007

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2006	2005	2004	2003	2002	2001	2000	1999
Agricultural Pollution Control Equipment	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	Data Not Available	Data Not Available	6 \$47,706 \$32,542 \$15,164	9 \$54,870 \$17,500 \$37,370	9 \$77,096 \$15,218 \$61,878	Not Releasable
Agricultural Preservation District	# of claims credit available credit refunded carry forward	Data Not Available	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0		
REFUNDABLE									
Agricultural Water Conservation	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	109 \$9,027,115 \$2,444,313 \$5,929,522	151 \$9,062,703 \$1,611,928 \$7,165,357	133 \$7,984,544 \$1,256,346 \$6,157,459	135 \$8,329,576 \$1,473,497 \$6,057,938	130 \$8,157,000 \$1,578,411 \$6,527,281	129 \$8,484,744 \$970,210 \$7,213,521
Alternative Fuel Delivery System	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable
NONREFUNDABLE									
Alternative Fuel Delivery System	# of claims credit available credit used credit refunded carry forward						Not Releasable	19 \$2,863,157 \$192,848 \$2,670,309 \$0	
REFUNDABLE									
Alternative Fuel Vehicles	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	26 \$251,238 \$34,972 \$0	50 \$407,905 \$60,504 \$347,401	74 \$605,422 \$104,771 \$500,944	111 \$2,231,236 \$199,273 \$2,036,270	162 \$2,770,835 \$364,450 \$2,412,885	241 \$2,227,522 \$727,117 \$1,500,405
NONREFUNDABLE									
Alternative Fuel Vehicles	# of claims credit available credit used credit refunded carry forward						158 \$2,694,618 \$325,684 \$2,368,934 \$0	4,905 \$94,544,474 \$13,251,856 \$81,240,048 \$52,570	
REFUNDABLE									
Clean Elections	# of claims credit available credit used carry forward	30,015 \$697,402 \$687,179	31,075 \$811,007 \$801,435	32,338 \$748,343 \$739,774	32,042 \$746,749 \$727,224	33,470 \$725,230 \$688,864	26,757 \$639,427 \$599,485	23,717 \$564,312 \$537,345	8,585 \$546,255 \$502,151
Commerical & Industrial Solar Energy Credit	# of claims credit available credit used carry forward	Data Not Available							
Construction Materials	# of claims credit available credit used carry forward			Not Releasable	Not Releasable	0 \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2006	2005	2004	2003	2002	2001	2000	1999
Contributions	# of claims		25,587	20,736	17,467	14,226	12,538	10,654	6,725
To Charities	credit available	Data Not	\$6,637,500	\$3,884,600	\$3,283,100	\$2,687,900	\$2,257,673	\$1,829,205	\$1,168,515
Providing Help	credit used	Available	\$6,589,000	\$3,851,700	\$3,259,400	\$2,676,900	\$2,196,043	\$1,792,123	\$1,154,768
To Working Poor	carry forward		\$48,500	\$32,900	\$23,700	\$11,000	\$41,852	\$35,581	\$13,747
Defense	# of claims		0	0	0	0	0	0	0
Contracting	credit available	Data Not	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donation of	# of claims					41	163	464	92
Motor Vehicles	credit available					\$54,025	\$213,200	\$615,576	\$121,698
To Work	credit used					\$40,261	\$173,319	\$549,223	\$102,327
Program	carry forward								
Employing	# of claims								
National Guard	credit available	Data Not							
Members	credit used	Available							
	carry forward								
Employment of	# of claims			0			0	0	
TANF Recipients	credit available	Data Not	Data Not	\$0	Not	Not	\$0	\$0	Not
	credit used	Available	Available	\$0	Releasable	Releasable	\$0	\$0	Releasable
	carry forward			\$0			\$0	\$0	
Enterprise	# of claims			149	187	137	213	194	179
Zone	credit available	Data Not	Data Not	\$1,998,130	\$2,701,049	\$2,371,394	\$3,605,894	\$3,626,383	\$2,689,304
	credit used	Available	Available	\$1,206,772	\$1,540,321	\$1,444,917	\$2,168,612	\$2,119,890	\$1,560,543
	carry forward			\$694,306	\$1,084,296	\$916,052	\$1,437,412	\$1,514,514	\$1,128,761
Environmental	# of claims		0	0	0	0	0	0	0
Technology	credit available	Data Not	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family Tax	# of claims	415,625	439,056	425,484	417,451	427,798	402,094	335,253	327,974
Credit	credit available	\$34,454,593	\$36,737,292	\$35,617,953	\$35,068,208	\$36,064,781	\$33,377,585	\$28,924,670	\$28,374,663
	credit used	\$6,514,023	\$7,661,867	\$7,709,270	\$7,445,937	\$7,382,178	\$7,356,939	\$7,799,840	\$7,925,721
	carry forward								
Healthy Forest	# of claims								
Enterprises	credit available	Data Not	Data Not						
	credit used	Available	Available						
	carry forward								
Income Taxes Paid	# of claims	24,755	34,664	29,956	25,722	24,909	29,007	27,831	26,317
To Other States	credit available	\$52,624,353	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508	\$58,777,258	\$57,403,404	\$51,433,659
or Countries	credit used	\$52,624,353	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508	\$58,777,258	\$57,403,404	\$51,433,659
	carry forward								

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2006	2005	2004	2003	2002	2001	2000	1999
Increased Excise Taxes Paid	# of claims	499,743	546,678	555,762	548,831	529,265	428,189		
	credit available	\$26,739,195	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741	\$22,612,548		
	credit used	\$26,739,195	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741	\$22,612,548		
	carry forward								
Military Reuse Zone	# of claims		0	0	0	0	0	0	0
	credit available	Data Not Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Motion Picture Production Costs	# of claims								
	credit available	Data Not Available							
	credit used								
	carry forward								
Neighborhood Electric Vehicle	# of claims				1,168	1,735	2,612	4,199	1,207
	credit available	Data Not Available	Data Not Available	Data Not Available	\$5,648,559	\$9,049,067	\$16,275,159	\$40,162,384	\$13,968,334
	credit used				\$1,533,072	\$2,484,187	\$5,716,267	\$22,266,522	\$7,868,830
	carry forward				\$4,123,724	\$6,564,880	\$10,558,892	\$17,885,862	\$6,099,504
Pollution Control Device	# of claims			9	67	13	18		
	credit available	Data Not Available	Data Not Available	\$31,986	\$48,826	\$18,562	\$31,624	Not Releasable	Not Releasable
	credit used			\$31,986	\$48,826	\$18,525	\$31,624		
	carry forward			\$11,399	\$26,543	\$37	\$0		
Private School Tuition Organization	# of claims	73,621	69,234	63,830	58,122	52,161	46,755	38,249	32,023
	credit available	\$51,014,815	\$42,192,973	\$31,871,900	\$29,445,494	\$26,171,191	\$24,924,656	\$17,701,284	\$13,781,341
	credit used	\$51,014,815	\$42,192,973	\$31,871,900	\$29,445,494	\$26,171,191	\$24,924,656	\$17,701,284	\$13,781,341
	carry forward								
Property Tax	# of claims	12,427	13,943	14,786	15,028	14,991	15,218	14,593	15,862
	credit available	\$4,482,397	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544	\$5,015,318	\$4,653,837	\$4,987,796
	credit used	\$4,482,397	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544	\$5,015,318	\$4,653,837	\$4,987,796
	carry forward								
Public School Extra Curricular Activity	# of claims	216,386	215,369	213,987	201,407	143,697	166,468	149,215	109,748
	credit available	\$43,193,442	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129	\$20,004,715	\$17,526,299	\$14,775,353
	credit used	\$43,193,442	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129	\$20,004,715	\$17,526,299	\$14,775,353
	carry forward								
Recycling Equipment	# of claims		0		4	5	6	6	
	credit available	Data Not Available	\$0	Not Releasable	\$3,891	\$7,945	\$9,309	\$26,303	Not Releasable
	credit used		\$0		\$2,380	\$3,267	\$2,928	\$4,605	
	carry forward		\$0		\$1,511	\$4,678	\$6,381	\$21,698	
Research & Development	# of claims			103	82	76	44		
	credit available	Data Not Available	Data Not Available	\$2,156,889	\$1,453,763	\$684,058	\$614,238		
	credit used			\$1,315,373	\$765,768	\$484,138	\$465,524		
	carry forward			\$1,044,065	\$684,903	\$199,920	\$148,714		

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2006	2005	2004	2003	2002	2001	2000	1999
School Site Donation	# of claims credit available credit used carry forward	Data Not Available	75 \$8,503,992 \$6,012,397 \$2,491,685	99 \$5,339,503 \$3,510,857 \$1,828,646	38 \$1,586,819 \$933,599 \$493,754	66 \$3,711,546 \$2,380,444 \$1,697,036	51 \$4,380,699 \$2,869,356 \$1,518,424		
Solar Energy	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	1,875 \$839,334 \$787,155 \$147,511	1,171 \$549,069 \$480,091 \$108,286	2,303 \$775,830 \$977,721 \$119,708	2,330 \$901,836 \$868,225 \$135,943	2,660 \$935,627 \$924,231 \$141,204	2,877 \$997,463 \$917,941 \$149,976
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	17 \$15,220 \$5,677 \$9,543	Not Releasable	15 \$4,920 \$3,312 \$1,608	18 \$16,951 \$7,804 \$9,147	35 \$21,308 \$11,566 \$9,742	35 \$16,859 \$7,944 \$8,915
Technology Training	# of claims credit available credit refunded carry forward		0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	Not Releasable	Not Releasable		
Underground Storage Tanks	# of claims credit available credit used carry forward			0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
Vehicle Refueling Apparatus & Infrastructure	# of claims credit available credit used carry forward			Not Releasable	5 \$13,872 \$8,960 \$4,912	9 \$20,519 \$3,531 \$16,988	22 \$39,953 \$16,440 \$23,513	127 \$297,382 \$238,139 \$59,243	77 \$205,568 \$101,753 \$103,815
Vehicle Refueling Apparatus & Infrastructure	# of claims credit available credit used credit refunded carry forward						12 \$33,750 \$25,456 \$8,294 \$0	676 \$3,204,789 \$364,288 \$2,840,501 \$0	
TOTAL	# of claims credit available credit used credit refunded carry forward	1,272,572 \$213,206,197 \$185,255,404 \$0 \$0	1,375,681 \$284,050,666 \$252,425,574 \$0 \$2,540,185	1,359,271 \$238,263,302 \$199,869,475 \$0 \$9,697,892	1,318,999 \$215,263,739 \$172,987,669 \$0 \$14,183,954	1,245,135 \$199,798,036 \$154,966,491 \$0 \$16,205,474	1,132,935 \$208,432,753 \$155,893,440 \$2,384,317 \$23,350,458	613,111 \$287,444,593 \$149,348,916 \$86,750,858 \$30,208,189	532,099 \$145,492,833 \$106,961,442 \$17,788,415

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
3. "Total" includes credits for which information was "not releasable" individually.
4. DATA IN *ITALICS* ARE PRELIMINARY.

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2005	2004	2003	2002	2001	2000	1999	1998
Agricultural Pollution Control Equipment	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable	
Agricultural Preservation District	# of claims credit available credit used	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0			
REFUNDABLE	credit refunded carry forward	\$0	\$0	\$0	\$0	\$0			
Agricultural Water Conservation	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable
Alternative Fuel Delivery System	# of claims credit available credit used		Not Releasable	Not Releasable	3 \$457,906 \$1,039	3 \$642,337 \$184,431	5 \$1,998,651 \$1,167,282	8 \$2,441,075 \$1,377,215	3 \$1,287,994 \$1,083,345
NONREFUNDABLE	carry forward				\$456,867	\$457,906	\$831,369	\$1,063,860	\$204,649
Alternative Fuel Delivery System	# of claims credit available credit used					0 \$0 \$0	5 \$679,992 \$314,676		
REFUNDABLE	credit refunded carry forward					\$0 \$0	\$363,316 \$0		
Alternative Fuel Vehicles	# of claims credit available credit used		3 \$659,570 \$2,837	5 \$645,555 \$1,726	7 \$678,479 \$32,924	7 \$740,566 \$2,882	13 \$1,116,853 \$342,351	24 \$1,402,495 \$283,160	12 \$190,258 \$36,231
NONREFUNDABLE	carry forward		\$0	\$643,829	\$645,555	\$737,674	\$774,502	\$1,119,335	\$154,027
Alternative Fuel Vehicles	# of claims credit available credit used					12 \$218,560 \$25,200	182 \$15,666,027 \$491,057		
REFUNDABLE	credit refunded carry forward					\$193,360 \$0	\$15,163,095 \$11,875		
Clean Elections	# of claims credit available credit used carry forward	68 \$717 \$717	90 \$562 \$552	111 \$1,778 \$1,773	102 \$646 \$646	97 \$2,913 \$2,913	57 \$13,911 \$13,911	0 \$0 \$0	0 \$0 \$0
Consolidated Filer	# of claims credit available credit used carry forward	17 \$55,108,438 \$751,311 \$54,357,127	30 \$57,389,398 \$2,280,960 \$55,108,438	32 \$59,725,102 \$2,335,704 \$57,389,398	30 \$61,921,596 \$2,196,494 \$59,725,102	35 \$65,439,671 \$3,518,075 \$61,921,596	40 \$68,890,512 \$3,450,841 \$65,439,671	46 \$71,825,954 \$2,935,442 \$68,890,512	41 \$75,191,008 \$3,365,054 \$71,825,954

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2005	2004	2003	2002	2001	2000	1999	1998
Construction Materials	# of claims credit available credit used carry forward		Not Releasable	Not Releasable	³ \$426,692 \$100 \$426,592	³ \$426,792 \$100 \$426,692	⁴ \$630,976 \$204,184 \$426,792	⁷ \$1,161,103 \$414,824 \$746,279	⁵ \$1,567,984 \$1,041,619 \$579,484
Defense Contracting	# of claims credit available credit used carry forward	Not Releasable	Not Releasable	Not Releasable	Not Releasable	Not Releasable	³ \$43,361,299 \$1,859,951 \$32,832,511	⁴ \$47,790,421 \$833,724 \$36,297,743	⁴ \$39,112,013 \$116,500 \$39,840,466
Donation of Motor Vehicles To Work Program	# of claims credit available credit used carry forward				⁰ \$0 \$0 \$0	⁰ \$0 \$0 \$0	⁰ \$0 \$0 \$0	⁰ \$0 \$0 \$0	
Employment of TANF Recipients	# of claims credit available credit used carry forward	⁹ \$114,990 \$92,168 \$22,822	¹⁴ \$491,175 \$485,190 \$5,985	⁹ \$472,478 \$466,392 \$6,086	⁸ \$184,997 \$173,600 \$11,397	⁷ \$99,360 \$57,901 \$41,459	⁷ \$47,869 \$27,648 \$20,221	⁵ \$49,653 \$47,189 \$2,464	³ \$35,325 \$35,325 \$0
Enterprise Zone	# of claims credit available credit used carry forward	⁷⁶ \$8,704,191 \$4,891,972 \$3,428,826	¹¹³ \$12,730,875 \$7,532,667 \$4,615,711	¹¹⁹ \$13,763,742 \$6,124,837 \$7,582,973	¹³⁰ \$15,125,249 \$6,509,250 \$8,615,999	¹⁴² \$18,137,283 \$7,043,744 \$11,093,539	¹³⁵ \$17,039,772 \$8,735,180 \$8,304,592	¹³⁹ \$19,415,575 \$12,621,497 \$6,795,178	¹³³ \$16,555,593 \$8,734,030 \$7,821,563
Environmental Technology Facility	# of claims credit available credit used carry forward	⁰ \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable	³ \$37,088,205 \$1,084,588 \$36,003,617	³ \$36,766,914 \$26,658 \$36,740,256	³ \$36,836,791 \$69,877 \$36,766,914	⁴ \$36,520,479 \$365,267 \$36,155,212
Healthy Forest Enterprises	# of claims credit available credit used carry forward	Data No Available							
Military Reuse Zone	# of claims credit available credit used carry forward	⁰ \$0 \$0 \$0	Not Releasable	Not Releasable	Not Releasable	³ \$131,312 \$109,373 \$21,939	³ \$113,702 \$97,440 \$16,262	³ \$175,336 \$170,634 \$4,702	Not Releasable
Neighborhood Electric Vehicles	# of claims credit available credit used carry forward	⁵ \$690,630 \$3,086 \$687,544	¹⁰ \$791,263 \$11,380 \$779,883	¹³ \$820,049 \$29,085 \$790,967	¹⁷ \$903,497 \$60,175 \$843,322	¹⁹ \$991,555 \$69,701 \$921,854	⁴⁷ \$2,431,532 \$1,368,929 \$1,062,603	⁵³ \$1,858,593 \$1,406,907 \$451,686	

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2005	2004	2003	2002	2001	2000	1999	1998
Pollution Control Device	# of claims	16	22	29	31	35	39	36	26
	credit available	\$6,238,814	\$5,766,900	\$7,554,913	\$6,660,082	\$7,041,120	\$11,289,394	\$12,259,058	\$8,707,493
	credit used	\$1,980,608	\$1,174,893	\$2,412,182	\$1,716,687	\$2,696,972	\$3,860,440	\$6,879,188	\$4,241,078
	carry forward	\$3,878,349	\$4,267,084	\$4,989,084	\$4,943,395	\$4,344,148	\$7,428,954	\$6,362,017	\$4,382,127
Recycling Equipment	# of claims			4	4	4	5	4	4
	credit available	Not	Not	\$192,332	\$197,477	\$218,919	\$238,422	\$250,210	\$274,352
	credit used	Releasable	Releasable	\$3,426	\$5,145	\$21,442	\$15,626	\$16,028	\$12,660
	carry forward			\$188,906	\$192,332	\$197,477	\$222,796	\$234,182	\$261,692
Research & Development	# of claims	92	154	143	136	137	127	139	129
	credit available	\$145,104,890	\$103,672,224	\$78,410,641	\$46,567,331	\$38,883,341	\$24,550,264	\$20,052,034	\$19,458,253
	credit used	\$38,240,498	\$32,799,603	\$25,771,632	\$11,627,431	\$10,976,153	\$9,458,350	\$10,457,350	\$9,052,370
	ltd carry forward.	\$443,247,521	\$509,530,430	\$524,039,054	\$516,603,233	\$473,859,203	\$423,756,278	\$294,579,637	\$191,350,577
	unltd carry forward	\$114,688,501	\$81,239,034	\$39,264,128	\$0	\$0			
School Site Donation	# of claims	3	3						
	credit available	\$1,248,916	\$616,473	Not	Not	Not			
	credit used	\$1,248,916	\$616,473	Releasable	Releasable	Releasable			
	carry forward	\$0	\$0						
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims	0	0	0	0	0		0	0
	credit available	\$0	\$0	\$0	\$0	\$0	Not	\$0	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	Releasable	\$0	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0		\$0	\$0
Taxes Paid for Coal Consumed In Generating Electrical Power	# of claims	0	3	3	3	3	3	4	4
	credit available	\$0	\$3,038,101	\$3,145,343	\$3,064,674	\$2,755,471	\$1,617,039	\$1,305,513	\$915,983
	credit used	\$0	\$908,990	\$1,229,020	\$1,504,851	\$1,556,016	\$778,015	\$803,476	\$678,039
	carry forward	\$0	\$1,799,254	\$1,744,443	\$1,559,823	\$1,199,455	\$839,024	\$502,037	\$237,944
Technology Training	# of claims	2	3	3	4	11			
	credit available	\$45,215	\$39,963	\$33,426	\$41,083	\$46,286			
	credit used	\$45,215	\$36,268	\$33,006	\$30,000	\$35,010			
	credit refunded	\$0	\$3,695	\$420	\$11,083	\$11,276			
Underground Storage Tanks	# of claims		0	0		0	0	0	0
	credit available		\$0	\$0	Not	\$0	\$0	\$0	\$0
	credit used		\$0	\$0	Releasable	\$0	\$0	\$0	\$0
	carry forward								
Vehicle Refueling Apparatus & Infrastructure	# of claims						4	7	
	credit available		Not	Not	Not	Not	\$8,712	\$29,765	
	credit used		Releasable	Releasable	Releasable	Releasable	\$2,180	\$13,630	
	carry forward						\$6,532	\$16,135	
NONREFUNDABLE									

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2005	2004	2003	2002	2001	2000	1999	1998
Vehicle Refueling	# of claims					0	12		
Apparatus & Infrastructure	credit available					\$0	\$138,940		
	credit used					\$0	\$46,332		
REFUNDABLE	credit refunded					\$0	\$92,608		
	carry forward					\$0	\$0		
TOTAL	# of claims	290	459	488	497	535	702	492	377
	credit available	\$243,144,104	\$252,217,351	\$234,597,482	\$213,292,281	\$217,318,783	\$232,269,706	\$222,889,702	\$204,202,910
	credit used	\$47,254,541	\$46,321,120	\$39,174,565	\$28,116,519	\$27,895,564	\$32,301,854	\$38,596,937	\$28,929,486
	credit refunded	\$0	\$3,695	\$420	\$11,083	\$204,636	\$15,619,019		
	ltd carry forward	\$523,952,594	\$633,837,357	\$662,664,237	\$659,409,409	\$629,184,792	\$582,140,951	\$459,508,592	\$357,031,902
	unltd carry forward	\$114,688,501	\$81,239,034	\$39,264,128	\$0	\$0			

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
3. "Total" includes credits for which information was "not releasable" individually.
4. DATA IN *ITALICS* ARE PRELIMINARY.

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1081.01

Effective Date: For taxable years from and after 12/31/98

Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.

Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.

Carry forward: Five years.

	1999	2000	2001	2002
# of claimants	1	9	9	6
Total credit	//////////	\$77,096	\$54,870	\$47,706
Used	//////////	\$15,218	\$17,500	\$32,542
Carry forward	//////////	\$61,878	\$37,370	\$15,164

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

AGRICULTURAL PRESERVATION DISTRICT CREDIT

Statute: A.R.S. § 43-1081.02
Effective Date: For taxable years from and after 12/31/00 *and ending before 1/1/06*
Repealed: Repeal date set when credit enacted.
Provisions: A *refundable* credit is allowed for a taxpayer who owns property classified as Class Two property (agricultural) and who conveys ownership or development rights to an agricultural preservation district. No district can award credits exceeding \$10 million.
Credit: The amount of the credit is either the appraised value of the property if the taxpayer conveys ownership to the district or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if the taxpayer conveys the development rights of the property to the district. No credit in a calendar year can exceed \$33,000.

As of the date of this publication, no claim for the agricultural preservation district credit has been found.

AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT

Statute: A.R.S. § 43-1084

Effective Date: For taxable years from and after 12/31/93

Provisions: A nonrefundable credit is allowed for expenses incurred during the taxable year to purchase and install an agricultural water conservation system in Arizona. The system must be primarily designed to substantially conserve water on land used to (1) produce crops, fruits or other agricultural products, (2) raise, harvest or grow trees, or (3) sustain livestock. The expense must be consistent with a conservation plan filed and in effect with the United States Department of Agriculture Soil Conservation Service.

Credit: The credit is equal to 75% of the qualifying expenses.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1994	35	\$1,800,000	\$382,000	\$1,400,000
1995	54	\$2,600,000	\$923,000	\$1,700,000
1996	75	\$4,247,392	\$721,093	\$3,524,790
1997	63	\$3,752,833	\$430,131	\$3,323,906
1998	94	\$4,567,632	\$625,676	\$3,941,314
1999	129	\$8,484,744	\$970,210	\$7,213,521
2000	130	\$8,157,000	\$1,578,411	\$6,527,281
2001	135	\$8,329,576	\$1,473,497	\$6,057,938
2002	133	\$7,984,544	\$1,256,346	\$6,157,459
2003	151	\$9,062,703	\$1,611,928	\$7,165,357
2004	109	\$9,027,115	\$2,444,313	\$5,929,522

Data shown in *italics* is preliminary.

ALTERNATIVE FUEL DELIVERY SYSTEM CREDIT

Statute: A.R.S. § 43-1086.02

Effective Date: For taxable years from and after 12/31/97

Repealed: To qualify for the credit, a contract for construction must have been entered into prior to 10/20/00 and construction must have begun before 11/9/00.

Provisions: A credit is allowed for construction costs or operating costs for constructing or operating an alternative fuel delivery system in Arizona that is capable of dispensing an alternative fuel to an alternative fuel vehicle. Construction costs means costs directly associated with the construction of an alternative fuel delivery system and does not include any construction costs for gasoline or diesel fuel delivery systems or adjacent buildings, landscaping or paving for areas not directly connected to the alternative fuel delivery system. Operating costs means costs directly associated with the dispensing of alternative fuel through an alternative fuel delivery system plus a reasonable charge for overhead functions. *This credit was refundable for tax year 2000 only.*

Credit: The amount of the credit is equal to 100% of the costs incurred up to a maximum of \$400,000 for an alternative fuel delivery system that is accessible to the general public or for an alternative fuel delivery system that is dispensing renewable fuel. For an alternative fuel delivery system that does not satisfy the qualifications in the previous system, the credit is 50% of the costs incurred up to a maximum of \$200,000.

Carry forward: Five years.

FOR NONREFUNDABLE CREDITS:

	1998	1999	2000 ¹	2001	2002	2003	2004
# of claimants	////////	13	7	2	0	0	0
# of stations	////////	20	--	---			
Total credit	////////	////////	////////	////////			
Used	////////	////////	////////	////////			
Carry forward	////////	////////	////////	////////			

The bars in the cells of the table indicate that release of data would violate confidentiality laws.

- The average Federal Adjusted Gross Income (FAGI) for taxpayers claiming the alternative fuel delivery system credit in 1999 was \$217,873.
- The average FAGI for taxpayers claiming the alternative fuel delivery system credit in 2000 was \$364,145.

FOR REFUNDABLE CREDITS:

	2000	2001
# of claimants	19	2
# of stations	20	////////
Total credit	\$2,863,157	////////
Credit refunded	\$2,863,157	////////

- The average FAGI for taxpayers claiming the refundable alternative fuel delivery system credit in 2000 was \$523,998.

¹ All nonrefundable 2000 and 2001 claims are of carry forward from 1999

ALTERNATIVE FUEL VEHICLES CREDIT

Statute: A.R.S. § 43-1086

Effective Date: For taxable years from and after 12/31/93

Repealed: To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/00. No refundable credit is allowed for taxable years ending after 12/31/01. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/01.

Provisions: A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel. *This credit was refundable for tax years 2000 and 2001 only.*

Credit: The amount of the credit is equal to:

1. For low emission vehicles 12,000 pounds or less, the greater of 30% of cost or \$5,000 if new or the greater of 15% of the cost or \$2,500 if used.
2. For an ultralow or inherently low emission vehicle, the greater of 40% of cost or \$7,500 if new or the greater of 20% of the cost or \$3,750 if used.
3. For a zero or super ultralow emission vehicle, the greater of 50% of cost or \$10,000 if new or the greater of 25% of the cost or \$5,000 if used.
4. For a used zero emission vehicle that is leased, the greater of 25% of cost or \$2,500.
5. For a low emission vehicle over 12,000 pounds, the greater of 30% of cost or \$30,000 if new or the greater of 15% of the cost or \$15,000 if used.
6. For conversion of a vehicle over 12,000 pounds, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price or \$30,000.
7. For purchase of converted vehicles over 12,000 pounds, the greater of 15% of cost or \$15,000.
8. For conversion of any other vehicle, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price of the vehicle or \$5,000.
9. For purchase of any other converted vehicle, the greater of 15% of cost or \$2,500.

This language replaced another alternative fuel vehicle credit that allowed much less credit; the previous credit was for a maximum amount of \$1,000 per vehicle

Carry forward: Five years for the nonrefundable alternative fuel vehicle and 10 years for the nonrefundable neighborhood electric vehicle credit.

**FOR ALTERNATIVE FUEL VEHICLES NONREFUNDABLE CREDIT EXCEPT
NEIGHBORHOOD ELECTRIC VEHICLES:**

	# of claimants	# of vehicles	Total credit	Used	Carry forward
1995	24	14	\$14,000	\$11,000	\$3,000
1996	35		\$33,050	\$23,773	\$9,277
1997	33		\$32,703	\$23,409	\$9,294
1998	72	61	\$78,272	\$56,864	\$21,408
1999	241	167	\$2,227,522	\$727,117	\$1,500,405
2000	162	-----	\$2,770,835	\$364,450	\$2,412,885
2001	111	-----	\$2,231,236	\$199,273	\$2,036,270
2002	74	-----	\$605,422	\$104,771	\$500,944
2003	50	-----	\$407,905	\$60,504	\$347,401
2004	26	-----	\$251,238	\$34,972	\$0

The carry forward in 2004 is zeroed out because 2004 is the last year in which any carry forward for this credit can be claimed.

- The average Federal Adjusted Gross Income (FAGI) for the taxpayers claiming the nonrefundable credit in 1998 was \$92,409.

INDIVIDUAL INCOME TAX

- The average FAGI for taxpayers claiming the nonrefundable credit in 1999 was \$181,288.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2000 was \$134,789.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2001 was \$123,460.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2002 was \$91,643.

FOR THE REFUNDABLE CREDIT:

	2000	2001
# of claimants	4,905	158
# of vehicles	5,458	177
Total credit	\$94,544,474	\$2,694,618
Used	\$13,251,856	\$325,684
Refunded	\$81,240,048	\$2,368,934
Carry forward	\$52,570	\$0

- The average FAGI for taxpayers claiming the refundable credit in 2000 was \$144,169.
- The average FAGI for taxpayers claiming the refundable credit in 2001 was \$130,348.

FOR NEIGHBORHOOD ELECTRIC VEHICLES:

	1999	2000	2001²	2002	2003
# of claimants	1,207	4,199	2,612	1,735	1,168
# of vehicles	1,470	4,286	----	---	---
Cost of vehicles	\$13,767,275	\$37,910,902	----	---	---
Credit	\$13,968,334	\$40,162,384	\$16,275,159	\$9,049,067	\$5,648,559
Used	\$7,868,830	\$22,266,522	\$5,716,267	\$2,484,187	\$1,533,072
Carry forward	\$6,099,504	\$17,885,862	\$10,558,892	\$6,564,880	\$4,123,724

- The average FAGI for taxpayers claiming the credit for neighborhood electric vehicles in 1999 was \$442,341.
- The average FAGI for taxpayers claiming the credit for neighborhood electric vehicles in 2000 was \$484,419.

Data shown in *italics* is preliminary.

² All 2001 claims for nonrefundable vehicles are carry forward from 2000.

INDIVIDUAL INCOME TAX

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B

Effective Date: For donations made in taxable years beginning on or after 1/1/98

Provisions: A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.

Credit: The credit is not to exceed 20% of the tax liability or the maximum credit amount adjusted biennially (per A.R.S. § 16-959A), whichever is greater. For tax year 2005 and 2006 the maximum credit amount was \$580 for single filers (\$1160 for married filing jointly).

Carry forward: None.

	# of claimants	Total credit	Used
1999	8,585	\$546,255	\$502,151
2000	23,717	\$564,312	\$537,345
2001	26,757	\$639,427	\$599,485
2002	33,470	\$725,230	\$688,864
2003	32,042	\$746,749	\$727,224
2004	32,338	\$748,343	\$739,774
2005	31,075	\$811,007	\$801,435
2006	30,015	\$697,402	\$687,179

Data shown in *italics* is preliminary.

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1085

Effective Date: For installing devices in taxable years beginning on or after 1/1/06 through 12/31/12

Provisions: A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer's trade or business.

Credit: The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.

Carry forward: Five years.

CONSTRUCTION MATERIALS CREDIT

Statute: A.R.S. § 43-1082
Effective Date: For taxable years from and after 12/31/94 *and ending before 1/1/00*
Repealed: Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for new construction materials incorporated into a qualifying facility located entirely within Arizona, construction of which is begun on or after 1/1/94 and completed on or before 12/31/99. A qualifying facility means a new building or structure, or expansion of an existing building or structure predominantly used for manufacturing, fabricating, mining, refining, metallurgical operations, direct broadcast satellite television or data transmission services or research and development and which has a total cost of construction in excess of \$5 million.
Credit: The credit is 5% of the purchase price of the materials.
Carry forward: Five years.

Claims have been recorded for this credit for tax year 1999 (4 claims), 2000 (2 claims), 2001 (1 claim), 2003 (1 claim) and 2004 (1 claim) but there are too few to release additional information.

INDIVIDUAL INCOME TAX

CONTRIBUTIONS TO CHARITIES THAT PROVIDE ASSISTANCE TO THE WORKING POOR CREDIT

Statute: A.R.S. § 43-1088

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for voluntary cash contributions to a qualifying charitable organization. A qualifying charitable organization means a 501(c)(3) that spends at least 50% of its budget on services to Arizona residents who receive TANF benefits or low income residents of this state and their households. Low income individuals means persons whose household income is less than 150% of the federal poverty level. The credit applies only to contributions to qualifying charitable organizations that exceed the total amount deducted on the taxpayer's Schedule A in the taxpayer's baseline year. The baseline year is the 1996 taxable year if the taxpayer had charitable contributions as itemized deductions on the Schedule A. If the taxpayer did not deduct charitable contributions on the Schedule A in 1996, the taxpayer's baseline year is the first taxable year after 1996 that charitable contributions were deducted on the Schedule A.

Credit: The credit is the amount of the voluntary cash contribution, up to \$200.

Carry forward: Five years.

	# of claimants	Total contributions	Total credit	Used	Carry forward
1998	2,894	\$523,501	\$481,037	\$476,691	\$4,346
1999	6,725	\$1,237,519	\$1,168,515	\$1,154,768	\$13,747
2000	10,654	\$1,897,876	\$1,829,205	\$1,792,123	\$35,581
2001	12,538	\$2,332,832	\$2,257,673	\$2,196,043	\$41,852
2002	14,226	NA	\$2,687,900	\$2,676,900	\$11,000
2003	17,467	NA	\$3,286,100	\$3,259,400	\$23,700
2004	20,736	NA	\$3,884,600	\$3,851,700	\$32,900
2005	25,587	NA	\$6,637,500	\$6,589,000	\$48,500

Data shown in *italics* is preliminary.

Reported contribution amounts for credits claimed:³

1998 Charities		1999 Charities	
United Way	\$132,977	United Way	\$262,172
Salvation Army	\$35,877	Salvation Army	\$84,949
Habitat for Humanity	\$26,008	St. Vincent de Paul	\$64,176
St. Vincent de Paul	\$23,825	Habitat for Humanity	\$48,870
Primavera	\$15,440	St. Mary's Food Bank	\$37,302
Westside Food Bank	\$15,045	Neighborhood Clinic	\$31,675
St. Mary's Food Bank	\$13,963	Gospel Rescue Mission	\$28,143
Gospel Rescue Mission	\$10,263	Community Food Bank	\$27,229
Community Food Bank	\$7,712	Jewish Family & Children Services	\$25,870
Red Cross	\$6,776	Westside Food Bank	\$24,749

³ Contribution amounts shown represent those attributable to calculating the credit and do not represent total contributions made by the taxpayers. "Other" includes those amounts where the charities were not identified.

INDIVIDUAL INCOME TAX

1998 Charities cont.		1999 Charities cont.	
United Methodist Outreach Ministries	\$6,680	Primavera	\$19,406
Goodwill	\$6,654	Phoenix Rescue Mission	\$16,733
Other	\$222,281	Other	\$566,245
Total reported contributions	\$523,501	Total reported contributions	\$1,237,519

2000 Charities		2001 Charities	
United Way	\$386,109	United Way	\$417,316
Salvation Army	\$120,387	Habitat for Humanity	\$135,336
St. Vincent de Paul	\$106,762	Salvation Army	\$128,444
Habitat for Humanity	\$97,624	St. Vincent de Paul	\$100,112
St. Mary's Food Bank	\$64,329	St. Mary's Food Bank	\$95,702
Jewish Family & Children Services	\$59,503	Jewish Family & Children Services	\$70,507
Neighborhood Clinic	\$48,585	Phoenix Rescue Mission	\$58,053
Community Food Bank	\$42,246	Community Food Bank	\$54,294
Westside Food Bank	\$39,939	Westside Food Bank	\$49,158
Gospel Rescue Mission	\$34,647	Neighborhood Clinic	\$46,810
Catholic Community Service	\$31,525	Catholic Community Service	\$36,673
Phoenix Rescue Mission	\$27,427	Gospel Rescue Mission	\$34,316
Other	\$838,783	Other	\$1,106,111
Total reported contributions	\$1,897,876	Total reported contributions	\$2,332,832

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1077 and 1078

Effective Date: For taxable years from and after 9/30/92

Provisions: This credit is limited to companies that have been certified by the Arizona Department of Commerce as qualified defense contractors by June 30, 2001. Certification is valid for five consecutive taxable years, so no new credits can be claimed after tax year 2006. The nonrefundable credit is for a net increase in employment of qualified employees under a United States Department of Defense contract or for a net increase in private commercial employment by a qualified defense contractor due to full-time equivalent positions transferred during the taxable year from exclusively defense related activities to exclusively private commercial activities. A tax credit is also allowed for a portion of property taxes paid on class 3 (commercial or industrial) property.

Credit: For net increases in employment, the credit is \$2500 for each first year full-time equivalent position created, \$2000 for the second year, \$1500 for the third year, \$1000 for the fourth year and \$500 for the fifth year of full-time employment. The credit for property tax paid is determined first by calculating 40% of the property tax if more than 900 new full-time equivalent positions are created, 30% of property taxes for 601 to 900 positions, 20% for 301 to 600 positions and 10% for up to 300 positions. This amount is then multiplied by the percentage determined by dividing the taxpayer's total gross income from USDOD contracts apportioned to Arizona by the taxpayer's total gross income from all sources apportioned to Arizona.

Carry forward: Five years.

As of the date of this publication, no claim for the defense contracting credit has been found.

DONATION OF MOTOR VEHICLES TO WHEELS TO WORK PROGRAM CREDIT

Statute: A.R.S. § 43-1090.01
Effective Date: For taxable years from and after 12/31/98
Repealed: For donations made from and after 7/1/02
Provisions: A nonrefundable credit is allowed for the fair market value of any vehicle that is donated to the wheels to work program. The value of the vehicle is determined by the private entity.
Credit: The maximum credit is \$1,500 per vehicle.
Carry forward: None.

	1999	2000	2001	2002
# of claimants	92	464	163	41
# of vehicles	92	473	169	44
Average vehicle value	\$2,207	\$2,214	\$2,408	\$2,420
Total credit	\$121,698	\$615,576	\$213,200	\$54,025
Used	\$102,327	\$549,223	\$173,319	\$40,261

EMPLOYER DEPENDENT DAY CARE CREDIT

Statute: A.R.S. § 43-1075

Effective Date: For taxable years from and after 12/31/90 *and ending before 1/1/95*

Repealed: Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed to each taxpayer who incurs expenses for providing dependent day care services for employees of the taxpayer.

Credit: The credit is equal to the lesser of \$15,000 or 50% of the costs incurred to acquire, construct, renovate or remodel dependent day care facilities or property for dependent day care facilities OR equal to the lesser of \$5,000 or 30% of the net costs incurred by the taxpayer to operate dependent day care facilities for employees, as reimbursement or compensation for dependent day care expenses incurred by the employee, and provide information and referral services to assist the taxpayer's employees to obtain dependent day care.

Carry forward: None.

One claim has been recorded for this credit for tax year 1994 and therefore additional information cannot be released.

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1079.01

Effective Date: For taxable years from and after 12/31/05

Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona national guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona national guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.

Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona national guard.

Carry forward: Five years.

As of the date of this publication, data is not available for this credit.

EMPLOYMENT OF TANF RECEIPIENTS CREDIT

Statute: A.R.S. § 43-1087

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, several conditions must be met, including that all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.

Credit: The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1998	1	////////	////////	////////
1999	1	////////	////////	////////
2000	0	\$0	\$0	\$0
2001	0	\$0	\$0	\$0
2002	4	////////	////////	////////
2003	5	////////	////////	////////
2004	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1074

Effective Date: For taxable years from and after 12/31/89

Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally this credit had no restriction on retail businesses. Then for a few years, there was complete exclusion of retail businesses.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located, the position must be at least 1,750 hours per year, etc.

Credit: The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1991	30	\$67,000	\$60,000	\$7,000
1992	46	\$145,000	\$112,000	\$33,000
1993	21	\$221,000	\$134,000	\$87,000
1994	25	\$595,894	\$337,581	\$258,313
1995	32	\$835,696	\$667,005	\$168,691
1996	80	\$796,678	\$325,542	\$468,135
1997	119	\$1,348,636	\$717,178	\$631,458
1998	134	\$1,932,606	\$1,196,708	\$735,928
1999	179	\$2,689,304	\$1,560,543	\$1,128,761
2000	194	\$3,626,383	\$2,119,890	\$1,514,514
2001	213	\$3,605,894	\$2,168,612	\$1,437,412
2002	137	\$2,371,394	\$1,444,917	\$916,052
2003	187	\$2,701,049	\$1,540,321	\$1,084,296
2004	149	\$1,998,130	\$1,206,772	\$694,306

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1080

Effective Date: For taxable years from and after 12/31/92

Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.

Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.

Carry forward: Fifteen years.

As of the date of this publication, no claim for the environmental technology facility credit has been found.

FAMILY INCOME TAX CREDIT

Statute: A.R.S. § 43-1073

Effective Date: For taxable years from and after 12/31/95

Provisions: The family income tax credit is a nonrefundable credit for taxpayers below certain income levels, with differing amounts for different household sizes.

Credit: The credit is \$40 per person in the household, not to exceed \$240 for married taxpayers filing joint returns or unmarried head of household filers and \$120 for taxpayers filing single or married filing separate returns. For taxpayers filing single or married filing separately, income must be less than or equal to \$10,000 to take the credit.

1. For taxpayers filing single or married filing separately, income⁴ must be less than or equal to \$10,000 to take the credit.

2. For married taxpayers filing joint

- a. with one dependent, the income threshold is \$20,000.
- b. with two dependents, the income threshold is \$23,600.
- c. with three dependents, the income threshold is \$27,300.
- d. with four or more dependents, the income threshold is \$31,000.

3. For taxpayers filing as unmarried head of household,

- a. with one dependent, the income threshold is \$20,000.
- b. with two dependents, the income threshold is \$20,135.
- c. with three dependents, the income threshold is \$23,800.
- d. with four dependents, the income threshold is \$25,200.
- e. with five or more dependents, the income threshold is \$26,575.

Carry forward: None.

	# of claimants	Total credit	Used
1995	340,844	\$20,600,000	\$5,150,000
1996	340,790	\$20,526,564	\$5,071,340
1997	345,223	\$20,483,252	\$4,637,593
1998	312,768	\$27,669,951	\$7,390,406
1999	327,974	\$28,374,663	\$7,925,721
2000	335,253	\$28,924,670	\$7,799,840
2001	402,094	\$33,377,585	\$7,356,939
2002	427,798	\$36,064,781	\$7,382,178
2003	417,451	\$35,068,208	\$7,445,937
2004	425,484	\$35,617,953	\$7,709,270
2005	439,056	\$36,737,292	\$7,661,867
2006	415,625	\$34,454,593	\$6,514,023

Data shown in *italics* is preliminary.

⁴ Income is defined as Arizona adjusted gross income plus any subtractions taken which reduced Federal Adjusted Gross Income.

HEALTHY FOREST ENTERPRISE

Statute: A.R.S. § 43-1076

Effective Date: For taxable years from and after 12/31/04 through 12/31/14

Repealed: Repeal date set when credit enacted.

Provisions: A business may qualify for a nonrefundable credit, if certified by the Department of Commerce as a healthy forest enterprise. The business must enhance or sustain forest health, sustains or recovers watershed or improves public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.

Credit: The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee's year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid to an employee in a qualified employment position; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position.

Carry forward: Five years

INCOME TAXES PAID TO OTHER STATES OR COUNTRIES CREDIT

Statute: A.R.S. § 43-1071

Effective Date: For taxable years from and after 1/01/35

Provisions: Residents are allowed a nonrefundable credit against income tax imposed in Arizona for net income taxes imposed by and paid to another state or country on income taxable in Arizona. The credit is available if the taxpayer is paying a net income tax to certain states and the tax owed to Arizona and the other state or country must be charged on the same income.

Credit: The credit is the amount of tax paid to the other state on the same income taxable in Arizona.

Carry forward: None.

	# of claimants	Total credit	Used
1995	22,496	\$29,203,587	\$29,203,587
1996	23,379	\$40,570,806	\$40,570,806
1997	25,325	\$42,910,138	\$42,910,138
1998	25,794	\$53,091,928	\$53,091,928
1999	26,317	\$51,433,659	\$51,433,659
2000	27,831	\$57,403,404	\$57,403,404
2001	29,007	\$58,777,258	\$58,777,258
2002	24,909	\$52,843,508	\$52,843,508
2003	25,722	\$62,484,651	\$62,484,651
2004	29,956	\$80,229,015	\$80,229,015
2005	34,664	\$119,416,310	\$119,416,310
2006	24,755	\$52,624,353	\$52,624,353

Data shown in *italics* is preliminary.

INCREASED EXCISE TAXES PAID CREDIT

Statute: A.R.S. § 43-1072.01

Effective Date: For taxable years from and after 12/21/00

Provisions: A *refundable* credit is allowed against income tax imposed to mitigate the increase in transaction privilege tax rates for education. The claimant must meet certain income thresholds to qualify for the credit: federal adjusted gross income of \$25,000 or less for a married couple or a single person who is head of a household, or \$12,500 for a single person or a married person filing separately.

Credit: The credit shall not exceed \$25 for each person who is a resident of Arizona and for whom a personal or dependent exemption is allowed. The credit shall not be more than \$100 for all persons in a household.

	# of claimants	Total credit	Used
2001	428,189	\$22,612,548	\$22,612,548
2002	529,265	\$28,403,741	\$28,403,741
2003	548,831	\$29,581,905	\$29,581,905
2004	555,762	\$29,924,907	\$29,924,907
2005	546,678	\$29,358,243	\$29,358,243
2006	499,743	\$26,739,195	\$26,739,195

Data shown in *italics* is preliminary.

MILITARY REUSE ZONE CREDIT

Statute: A.R.S. § 43-1079

Effective Date: For taxable years from and after 12/31/92 (although no military reuse zones were designated until 1996)

Provisions: A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.

Credit: For each employee that is not a dislocated military base employee, the credit is \$500 in the 1st year of employment and increases in \$500 increments until it reaches \$2500 in the 5th year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1st year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5th year of employment.

Carry forward: Five years.

One claim has been recorded for this credit in both tax years 1996 and 1997, but there are too few to release additional information.

MOTION PICTURE PRODUCTION COSTS CREDIT

Statute: A.R.S. § 43-1075

Effective Date: For taxable years from and after 12/31/05 through 12/31/10

Provisions: A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona. The taxpayer must receive pre-approval and post-approval from the Department of Commerce; acknowledge that the production was filmed in Arizona (except for commercial advertisements); incur production costs of at least \$250,000 in a 12 month period, employ the statutorily required percentage of Arizona residents during production activities in Arizona (25% of full-time employees in 2006, 35% in 2007, and 50% in 2008 and thereafter). To maintain eligibility, the taxpayer must begin production within four months of the pre-approval date. To claim the credit the taxpayer must submit a viewable copy of the production, submit a Completion Report within 30 days of completion, and receive post-approval from Commerce. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Credit: The amount of the credit is based on qualified production costs in Arizona equal to 10% of costs from \$250,000 to \$1 million; 15% of costs from \$1,000,001 to \$3 million; and 20% of costs more than \$3 million. The total individual and corporate tax credit (reference A.R.S. § 43-1163) will not exceed \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. The tax credit for an individual motion picture will not exceed \$5 million.

Carry forward: Five years.

As of the date of this publication, no claim for the motion picture tax credit has been found.

INDIVIDUAL INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

Statute: A.R.S. § 43-1081

Effective Date: For taxable years from and after 12/31/94

Provisions: A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.

Credit: The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.

Carry forward: Five years.

	1995	1996	1997	1998	1999	2000	2001	2002
# of claimants	0	0	1	5	6	4	18	13
Total credit	\$0	\$0	////////	////////	////////	////////	\$31,624	\$18,562
Used	\$0	\$0	////////	////////	////////	////////	\$31,624	\$18,525
Carry forward	\$0	\$0	////////	////////	////////	////////	\$0	\$37

	2003	2004
# of claimants	9	67
Total credit	\$31,986	\$48,826
Used	\$31,986	\$48,826
Carry forward	\$11,399	\$26,543

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

PRIVATE SCHOOL TUITION ORGANIZATION CREDIT

Statute: A.R.S. § 43-1089

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for cash contributions to a school tuition organization. A school tuition organization is a 501(c)(3) that allocates at least 90% of its revenue for scholarships to children to allow them to attend any qualified school of their parents choice. The school tuition organization cannot limit availability of scholarships to only one school. A qualified school is a primary or secondary school.

Credit: The credit is equal to the cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses.

Carry forward: Five years.

	# of STOs ⁵ reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
1998	16	4,248	\$1,815,798	5	244	\$135,170
1999	32	32,023	\$13,781,341	18	3,713	\$2,415,181
2000	37	38,249	\$17,701,284	32	15,377	\$13,653,685
2001	43	46,755	\$24,924,656	39	18,100	\$16,212,065
2002	42	52,161	\$26,171,191	41	19,568	\$22,369,775
2003	51	58,122	\$29,445,494	51	20,138	\$24,538,237
2004	53	63,830	\$31,871,900	53	21,146	\$28,201,770
2005	54	69,234	\$42,192,973	54	22,222	\$30,863,153
2006	56	73,621	\$51,015,815	56	24,678	\$40,557,643

⁵ School Tuition Organizations

INDIVIDUAL INCOME TAX

PROPERTY TAX CREDIT

Statute: A.R.S. § 43-1072

Effective Date: For property taxes accrued during calendar years from and after 1974

Provisions: This is a *refundable* credit for property taxes accrued or rent, or both, paid in that taxable year if certain conditions are met. The claimant must be at least 65 years of age or is a recipient of public monies under Title 16 of the social security act. The claimant paid either property taxes or rent during the taxable year. The person did not live with a spouse or any other persons and had an income from all sources in the taxable year of less than \$3,750, or lived with a spouse or other people and the combined income from all sources in the taxable year of all persons residing in the residence was less than \$5,001.

Credit: The credit allowed is the amount of property taxes paid or the amount from the table below setting out the maximum credit by income range.

Household Income (Living Alone)	Household Income (Living With Others)	Tax Credit
\$0 - \$1,750	\$0 - \$2,500	\$502
\$1,751 - \$1,850	\$2,501 - \$2,650	\$479
\$1,851 - \$1,950	\$2,651 - \$2,800	\$457
\$1,951 - \$2,050	\$2,801 - \$2,950	\$435
\$2,051 - \$2,150	\$2,951 - \$3,100	\$412
\$2,151 - \$2,250	\$3,101 - \$3,250	\$390
\$2,251 - \$2,350	\$3,251 - \$3,400	\$368
\$2,351 - \$2,450	\$3,401 - \$3,550	\$345
\$2,451 - \$2,550	\$3,551 - \$3,700	\$323
\$2,551 - \$2,650	\$3,701 - \$3,850	\$301
\$2,651 - \$2,750	\$3,851 - \$4,000	\$279
\$2,751 - \$2,850	\$4,001 - \$4,150	\$256
\$2,851 - \$2,950	\$4,151 - \$4,300	\$234
\$2,951 - \$3,050	\$4,301 - \$4,450	\$212
\$3,051 - \$3,150	\$4,451 - \$4,600	\$189
\$3,151 - \$3,250	\$4,601 - \$4,750	\$167
\$3,251 - \$3,350	\$4,751 - \$4,900	\$145
\$3,351 - \$3,450	\$4,901 - \$5,050	\$123
\$3,451 - \$3,550	\$5,051 - \$5,200	\$100
\$3,551 - \$3,650	\$5,201 - \$5,350	\$78
\$3,651 - \$3,750	\$5,351 - \$5,500	\$56

	# of claimants	Total credit	Used
1995	22,091	\$6,342,285	\$6,342,285
1996	19,983	\$5,819,917	\$5,819,917
1997	18,644	\$5,581,477	\$5,581,477
1998	17,237	\$5,290,628	\$5,290,628
1999	15,862	\$4,987,796	\$4,987,796
2000	14,593	\$4,653,837	\$4,653,837
2001	15,218	\$5,015,318	\$5,015,318
2002	14,991	\$5,106,544	\$5,106,544
2003	15,028	\$5,301,879	\$5,301,879
2004	14,786	\$5,242,685	\$5,242,685
2005	13,943	\$4,977,070	\$4,977,070
2006	12,427	\$4,482,397	\$4,482,397

Data shown in *italics* is preliminary.

PUBLIC SCHOOL EXTRA CURRICULAR ACTIVITY FEE CREDIT

Statute: A.R.S. § 43-1089.01

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for the amount of any fees paid to a public school located in Arizona for the support of extra curricular activities or to pay for character education.

Credit: The credit is equal to the cash contribution, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses.

Carry forward: Five years.

	# of claimants	Total credit	Used
1998	74,242	\$8,990,042	\$8,990,042
1999	109,748	\$14,775,353	\$14,775,353
2000	149,215	\$17,526,299	\$17,526,299
2001	166,468	\$20,004,715	\$20,004,715
2002	143,697	\$22,455,129	\$22,455,129
2003	201,407	\$27,753,764	\$27,753,764
2004	213,987	\$30,958,872	\$30,958,872
2005	215,369	\$35,416,279	\$35,416,279
2006	216,386	\$43,193,442	\$43,193,442

RECYCLING EQUIPMENT CREDIT

Statute: A.R.S. § 43-1076

Effective Date: For taxable years from and after 12/31/92

Repealed: For taxable years beginning on or after 1/1/03 but does not affect any tax credit carry forward that had already accrued.

Provisions: A nonrefundable credit is allowed to a taxpayer that places recycling equipment in service in Arizona. Recycling equipment is defined as new or used equipment purchased during the tax year and used exclusively to process post-consumer select solid waste materials and manufacturing machinery used exclusively to produce finished products, the composition of which is at least 25% post-consumer select solid waste materials. Select solid waste means paper, plastic, scrap metal and iron, glass and rubber.

Credit: The amount of the credit is equal to 10% of the installed cost of the equipment. The credit may not exceed 25% of the tax liability for the tax year or \$5,000.

Carry forward: Fifteen years.

	# of claimants	Total credit	Used	Carry forward
1993	0	\$0	\$0	\$0
1994	5	////////	////////	////////
1995	6	////////	////////	////////
1996	2	////////	////////	////////
1997	5	\$17,757	\$7,007	\$10,750
1998	5	////////	////////	////////
1999	3	////////	////////	////////
2000	6	\$26,303	\$4,605	\$21,698
2001	6	\$9,309	\$2,928	\$6,381
2002	5	\$7,945	\$3,267	\$4,678
2003	4	\$3,891	\$2,380	\$1,511
2004	2	////////	////////	////////
2005	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

RESEARCH & DEVELOPMENT CREDIT

Statute: A.R.S. § 43-1074.01

Effective Date: For taxable years from and after 12/31/00

Provisions: This nonrefundable credit is for research and development expenses.

Credit: The credit is computed as follows:

1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.

2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.

3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,

a. For taxable years beginning from and after 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million

b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

Credit carry forward from taxable years beginning before 1/1/03 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit.

Carry forward: Fifteen years.

	2001	2002	2003	2004
# of claimants	44	76	82	103
Total credit	\$614,238	\$684,058	\$1,453,763	\$2,156,889
Used	\$465,524	\$484,138	\$765,768	\$1,315,373
Carry forward	\$148,714	\$199,920	\$684,903	\$1,044,065

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1089.02

Effective Date: For taxable years from and after 12/31/00

Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona, must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.

Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.

Carry forward: Five years.

	# of claimants	Value of donated property ⁶	Total credit	Used	Carry forward
2001	51	\$20,377,400	\$4,380,699	\$2,869,356	\$1,518,424
2002	66	\$11,176,500	\$3,711,546	\$2,380,444	\$1,697,036
2003	38	\$8,168,000	\$1,586,819	\$933,599	\$493,754
2004	99	\$30,130,700	\$5,339,503	\$3,510,857	\$1,828,646
2005	75	\$22,838,300	\$8,503,992	\$6,012,397	\$2,491,685

Data shown in *italics* is preliminary.

⁶ Represents the total value of the donated property for which a credit was originally claimed in the respective tax year.

SOLAR ENERGY DEVICE CREDIT

Statute: A.R.S. § 43-1083

Effective Date: For taxable years from and after 12/31/94

Provisions: A nonrefundable credit is allowed for each resident who is not a dependent of another taxpayer for installing a solar energy device in the taxpayer's Arizona residence. Solar energy device means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination thereof by means of collecting and transferring solar energy into such uses either by passive or active means.

Credit: The amount of the credit is 25% of the cost of the device, not to exceed \$1000.

Carry forward: Five years.

	1995	1996	1997	1998	1999	2000
# of claimants	1,924	1,632	1,827	2,175	2,877	2,660
Total credit	\$655,000	\$534,174	\$550,128	\$728,291	\$997,463	\$935,627
Used	\$593,000	\$512,838	\$524,600	\$691,218	\$917,941	\$924,231
Carry forward	\$63,000	\$66,634	\$103,893	\$103,511	\$149,976	\$141,204

	2001	2002	2003	2004
# of claimants	2,330	2,303	1,171	1,875
Total credit	\$901,836	\$775,830	\$549,069	\$839,334
Used	\$868,225	\$977,721	\$480,091	\$787,155
Carry forward	\$135,943	\$119,708	\$108,286	\$147,511

SOLAR HOT WATER HEATER PLUMBING STUB OUTS AND ELECTRIC VEHICLE RECHARGE OUTLETS CREDIT

Statute: A.R.S. § 43-1090

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:

1. Solar hot water plumbing stub outs. The stub out must include two insulated 3/4 inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.

2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.

Credit: The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.

Carry forward: Five years.

	1998	1999	2000	2001	2002
# of claimants	23	35	35	18	15
Total credit	\$12,352	\$16,859	\$21,308	\$16,951	\$4,920
Used	\$8,874	\$7,944	\$11,566	\$7,804	\$3,312
Carry forward	\$3,478	\$8,915	\$9,742	\$9,147	\$1,608

	2003	2004
# of claimants	2	17
Total credit	////////	\$15,220
Used	////////	\$5,677
Carry forward	////////	\$9,543

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

SUMMER SCHOOL AND JOBS CREDIT

Statute: Laws 1995, HB2227, Chapter 236 and Laws 1996, SB1047, Chapter 309

Effective Date: For taxable years beginning from and after 12/31/94 *through* 12/31/96

Repealed: Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for qualifying employers for the amount of wages paid by the employer to students who are enrolled in summer school half days and employed by the qualified employer during the other half of the day.

Credit: The maximum credit equaled half of the wage paid to the student up to a maximum of \$3 per hour, with a maximum of 20 hours of work per week.

Carry forward: None.

	1995	1996
# of claimants	2	3
Total credit	////////////////////	\$837
Used	////////////////////	\$837

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

TECHNOLOGY TRAINING CREDIT

Statute: A.R.S. § 43-1088.01
Effective Date: For taxable years from and after 12/31/00 *and ending before 1/1/06*
Repealed: Repeal date set when credit enacted.
Provisions: A *refundable* credit is allowed for providing technological skills training to not more than 20 of the taxpayer's employees.
Credit: The credit is equal to 50% of the amount actually spent during the taxable year for the cost of the training, but not more than \$1500 per employee. The total amount of credits that can be granted (through a Department of Commerce certification program) is \$2.5 million.

Claims have been recorded for this credit for tax year 2001 (2 claims) and 2002 (1 claim), but there are too few to release additional information.

UNDERGROUND STORAGE TANKS CREDIT

Statute: A.R.S. § 43-1085
Effective Date: For taxable years from and after 12/31/93
Repealed: The legislation repealing this credit had a general effective date of August 25, 2004.
Provisions: A nonrefundable credit is allowed for expenses incurred by an individual or taxpayer who is not liable or responsible for a corrective action as an owner or operator of an underground storage tank, for corrective actions taken with respect to the release of a regulated substance from an underground storage tank.
Credit: The credit is equal to 10% of the amount spent to take any corrective action certified by the Arizona Department of Environmental Quality.
Carry forward: None.

Three claims have been recorded for this credit for tax year 1994, but there are too few to release additional information.

VEHICLE REFUELING APPARATUS CREDIT

Statute: A.R.S. § 43-1086.01

Effective Date: For taxable years from and after 12/31/98

Provisions: A refundable credit is allowed for the purchase of a vehicle refueling apparatus, including storage tanks, for installation on one or more properties in Arizona for the taxpayer's use. Vehicle refueling apparatus means either a maximum 10 to 15 standard cubic feet per minute natural gas compression appliance used for slow fill, on-site refueling or equipment necessary to provide an electric charge for an electric vehicle. Prior to 1/01/00, this credit was not refundable.

Repealed: To qualify for the credit, the vehicle refueling apparatus must be installed on or before 12/31/00 or the taxpayer has paid in full for the vehicle refueling apparatus before 11/9/00.

Credit: The credit is the cost of the vehicle refueling apparatus. The nonrefundable credit was equal to the greater of \$2000 or the cost of the vehicle refueling apparatus.

Carry forward: Five years.

NONREFUNDABLE	1999	2000	2001	2002	2003	2004
# of claimants	77	127	21	9	5	2
# of apparatuses	82	----	---	---	---	---
Total credit	\$205,568	\$297,382	\$39,953	\$20,519	\$13,872	////////
Used	\$101,753	\$238,339	\$16,440	\$3,531	\$8,960	////////
Carry forward	\$103,815	\$59,243	\$23,513	\$16,988	\$4,912	////////

The 2000 claims should be only carry forward from 1999 claims. However, at least 75 of these taxpayers filed the credit on the nonrefundable form rather than the refundable credit form. Since they had sufficient liability to offset the credit, they were not contacted to file an amended return.

- The average Federal Adjusted Gross Income (FAGI) for taxpayers claiming the vehicle refueling apparatus credit in 1999 was \$269,409.
- The average FAGI for taxpayers claiming the vehicle refueling apparatus credit in 2000 was \$555,372.

REFUNDABLE	2000	2001
# of claimants	676	12
# of apparatuses	749	4
Total credit	\$3,204,789	\$33,750
Used	\$364,288	\$25,456
Refunded	\$2,840,501	\$8,294
Carry forward	\$0	\$0

- The average FAGI for taxpayers claiming the refundable vehicle refueling apparatus credit in 2000 was \$337,236
- The average FAGI for taxpayers claiming the refundable vehicle refueling apparatus credit in 2001 was \$297,572.

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1170.01

Effective Date: For taxable years from and after 12/31/98

Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.

Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.

Carry forward: Five years.

	1999	2000	2001	2002	2003	2004	2005
# of claims	////////	////////	////////	////////	////////	////////	0
Credit available	////////	////////	////////	////////	////////	////////	
Credit used	////////	////////	////////	////////	////////	////////	
Carry forward	////////	////////	////////	////////	////////	////////	

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

AGRICULTURAL PRESERVATION DISTRICT CREDIT

Statute: A.R.S. § 43-1180
Effective Date: For taxable years from and after 12/31/00 *and ending before 1/1/06*
Repealed: Repeal date set when credit enacted.
Provisions: A *refundable* credit is allowed for a taxpayer who owns property classified as Class Two property (agricultural) and who conveys ownership or development rights to an agricultural preservation district. No district can award credits exceeding \$10 million.
Credit: The amount of the credit is either the appraised value of the property if the taxpayer conveys ownership to the district or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if the taxpayer conveys the development rights of the property to the district. No credit in a calendar year can exceed \$33,000.

At this point, no claims for this credit have been found.

AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT

Statute: A.R.S. § 43-1172

Effective Date: For taxable years from and after 12/31/93

Repealed: Effective 1/1/00

Provisions: A nonrefundable credit is allowed for expenses incurred during the taxable year to purchase and install an agricultural water conservation system in Arizona. The system must be primarily designed to substantially conserve water on land used to (1) produce crops, fruits or other agricultural products, (2) raise, harvest or grow trees, or (3) sustain livestock. The expense must be consistent with a conservation plan filed and in effect with the United States Department of Agriculture Soil Conservation Service.

Credit: The credit is equal to 75% of the qualifying expenses.

Carry forward: Five years.

Tax Year	# of claimants	Qualifying expenses	New Credit	Carry forward	Used	New Carry forward
1994	5	\$209,504	\$147,276	-----	\$35,531	\$111,745
1995	5	//////////	//////////	//////////	//////////	//////////
1996	4	//////////	//////////	//////////	//////////	//////////
1997	3	//////////	//////////	//////////	//////////	//////////
1998	6	//////////	//////////	//////////	//////////	//////////
1999	9	//////////	//////////	//////////	//////////	//////////
2000	6	//////////	//////////	//////////	//////////	//////////
2001	5	//////////	//////////	//////////	//////////	//////////
2002	5	-----	-----	//////////	//////////	//////////
2003	3	-----	-----	//////////	//////////	//////////
2004	2	-----	-----	//////////	//////////	//////////
2005	0					

The only year for which dollar amounts can be released is 1994. In the remaining years, noted by the bars in the table cells, there is a dominant taxpayer which keeps any information, other than claimant count, from being released.

- Since the creation of this credit, 17 taxpayers have claimed it.

ALTERNATIVE FUEL DELIVERY SYSTEM CREDIT

Statute: A.R.S. § 43-1174.02

Effective Date: For taxable years from and after 12/31/97

Repealed: To qualify for the credit, a contract for construction must have been entered into prior to 10/20/00 and construction must have begun before 11/9/00.

Provisions: A credit is allowed for construction costs or operating costs for constructing or operating an alternative fuel delivery system in Arizona that is capable of dispensing an alternative fuel to an alternative fuel vehicle. Construction costs means costs directly associated with the construction of an alternative fuel delivery system and does not include any construction costs for gasoline or diesel fuel delivery systems or adjacent buildings, landscaping or paving for areas not directly connected to the alternative fuel delivery system. Operating costs means costs directly associated with the dispensing of alternative fuel through an alternative fuel delivery system plus a reasonable charge for overhead functions. *This credit was refundable for tax year 2000 only.*

Credit: The amount of the credit is equal to 100% of the costs incurred up to a maximum of \$400,000 for an alternative fuel delivery system that is accessible to the general public or for an alternative fuel delivery system that is dispensing renewable fuel. For an alternative fuel delivery system that does not satisfy the qualifications in the previous system, the credit is 50% of the costs incurred up to a maximum of \$200,000.

Carry forward: Five years.

NONREFUNDABLE	1998	1999	2000	2001	2002	2003	2004
# of claimants	3	8	5 ⁷	3	3	2	1
Construction cost	\$887,709	\$2,318,941	----	----	----	----	----
Operating cost	\$400,285	\$894,067	----	----	----	----	----
Credit	\$1,287,994	\$2,186,788	----	----	----	----	----
Total credit	\$1,287,994	\$2,441,075	\$1,998,651	\$642,337	\$457,906	////////	////////
Used against liability	\$1,083,345	\$1,377,215	\$1,167,282	\$184,431	\$1,039	////////	////////
Carry forward	\$204,649	\$1,063,860	\$831,369	\$457,906	\$456,867	////////	////////

- Since the creation of this credit, eight taxpayers have claimed it.

REFUNDABLE	2000	2001
# of claimants	5	0
# of stations	27	
Construction cost	\$679,992	
Operating cost	\$0	
Credit	\$679,992	
Total credit	\$679,992	
Used against liability	\$314,676	
Refunded	\$363,316	
Carry forward	\$0	

⁷ All claims after 1999 are for carry forward.

ALTERNATIVE FUEL VEHICLES CREDIT

Statute: A.R.S. § 43-1174

Effective Date: For taxable years from and after 12/31/93

Repealed: To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/00. No refundable credit is allowed for taxable years ending after 12/31/01. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/01.

Provisions: A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel *This credit was refundable for tax years 2000 and 2001 only.*

Credit: The amount of the credit is equal to:

1. For low emission vehicles 12,000 pounds or less, the greater of 30% of cost or \$5,000 if new or the greater of 15% of the cost or \$2,500 if used.
2. For an ultralow or inherently low emission vehicle, the greater of 40% of cost or \$7,500 if new or the greater of 20% of the cost or \$3,750 if used.
3. For a zero or super ultralow emission vehicle, the greater of 50% of cost or \$10,000 if new or the greater of 25% of the cost or \$5,000 if used.
4. For a used zero emission vehicle that is leased, the greater of 25% of cost or \$2,500.
5. For a low emission vehicle over 12,000 pounds, the greater of 30% of cost or \$30,000 if new or the greater of 15% of the cost or \$15,000 if used.
6. For conversion of a vehicle over 12,000 pounds, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price or \$30,000.
7. For purchase of converted vehicles over 12,000 pounds, the greater of 15% of cost or \$15,000.
8. For conversion of any other vehicle, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price of the vehicle or \$5,000 .
9. For purchase of any other converted vehicle, the greater of 15% of cost or \$2,500.

This language replaced another alternative fuel vehicle credit that allowed much less credit; the previous credit was for a maximum amount of \$1,000 per vehicle

Carry forward: Five years for the nonrefundable alternative fuel vehicle and 10 years for the nonrefundable neighborhood electric vehicle credit.

FOR NONREFUNDABLE ALTERNATIVE FUEL VEHICLES EXCEPT NEIGHBORHOOD ELECTRIC VEHICLES:

Tax Year	# of claimants	# of vehicles	New credit	Total credit	Used	Carry forward
1994	2	//////////	//////////	//////////	//////////	//////////
1995	4	61	\$61,000	\$61,000	\$61,000	\$0
1996	1	//////////	//////////	//////////	//////////	//////////
1997	4	6	\$6,200	\$11,150	\$4,805	\$6,345
1998	12	93	\$114,713	\$190,258	\$36,231	\$154,027
1999	24	103	\$1,324,268	\$1,402,495	\$283,160	\$1,119,335
2000	13	6	\$146,188	\$1,116,853	\$342,351	\$774,502
2001	7	-----	-----	\$740,566	\$2,882	\$737,674
2002	7	-----	-----	\$678,479	\$32,924	\$645,555
2003	5	-----	-----	\$645,555	\$1,726	\$643,829
2004	3	-----	-----	\$659,570	\$2,837	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

CORPORATE INCOME TAX

- Since the creation of this credit, 36 taxpayers have claimed it.

REFUNDABLE	2000	2001
# of claimants	182	12
# of vehicles	670	17
New credit	\$15,666,027	\$218,560
Total credit	\$15,666,027	\$218,560
Used	\$491,057	\$25,200
Refunded	\$15,163,095	\$193,360
Carry forward	\$11,875	\$0

FOR NEIGHBORHOOD ELECTRIC VEHICLES:

	# of claimants	# of vehicles	Purchase price	New credit	Total credit	used	Carry forward
1999	53	189	\$1,792,850	\$1,858,593	\$1,858,593	\$1,406,907	\$451,686
2000	47	267	\$2,287,352	\$2,103,061	\$2,431,532	\$1,368,929	\$1,062,603
2001	19	-----	-----	-----	\$991,555	\$69,701	\$921,854
2002	17	-----	-----	-----	\$903,497	\$60,175	\$843,322
2003	13	-----	-----	-----	\$820,049	\$29,085	\$790,964
2004	10	-----	-----	-----	\$791,263	\$11,380	\$779,883
2005	5	-----	-----	-----	\$690,630	\$3,086	\$687,544

- For this period, 82 taxpayers have claimed the credit for neighborhood electric vehicles.
- For these 82 taxpayers, an average of five vehicles per taxpayer have been claimed, although nine of the taxpayers each claimed ten or more neighborhood electric vehicles.

CORPORATE INCOME TAX

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B

Effective Date: For donations made in taxable years beginning on or after 1/1/98

Provisions: A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.

Credit: The credit is not to exceed 20% of the tax liability or \$550. The maximum credit amount is adjusted biennially (per A.R.S. § 16-959A).

Carry forward: None.

	1998	1999	2000	2001	2002	2003	2004	2005
# of claimants	0	0	57	97	102	111	90	68
Total credit	\$0	\$0	\$13,911	\$2,913	\$646	\$1,773	\$562	717
Used	\$0	\$0	\$13,911	\$2,913	\$646	\$1,563	\$552	717

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1164

Effective Date: For installing devices in taxable years beginning on or after 1/1/06 through 12/31/12

Provisions: A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer's trade or business.

Credit: The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.

Carry forward: Five years.

CONSOLIDATED FILER CREDIT

Statute: SB1120 in the 1994 legislative session

Effective Date: For taxable years from and after 12/31/95

Repealed: Final payments to occur in tax year 2007

Provisions: SB1120 allowed a corporation to elect to file the same consolidated group of corporations on the Arizona return that was filed on the federal return. Corporations that made this election could file consolidated returns from tax year 1994 forward. Amended returns could be filed for tax year 1986 through 1993; these returns had to have been filed by 1/1/95. The filing of amended returns could result in a credit for previous tax payments as well as interest accrued through 12/31/94. The credit could be taken beginning in the 1996 tax year.

Credit: Total credit established was \$84 million for 69 corporations. Corporations could take 1/10 of their credit, nonrefundable, each year for ten years. Any credit remaining at the end of ten years (perhaps credit amount exceeded liability during the ten year period) is to be refunded.

Carry forward: Not applicable.

CONSTRUCTION MATERIALS CREDIT

Statute: A.R.S. § 43-1171

Effective Date: For taxable years from and after 12/31/94

Repealed: Effective 1/1/00.

Provisions: A nonrefundable credit is allowed for new construction materials incorporated into a qualifying facility located entirely within Arizona, construction of which is begun on or after 1/1/94 and completed on or before 12/31/99. A qualifying facility means a new building or structure, or expansion of an existing building or structure predominantly used for manufacturing, fabricating, mining, refining, metallurgical operations, direct broadcast satellite television or data transmission services or research and development and which has a total cost of construction in excess of \$5 million.

Credit: The credit is 5% of the purchase price of the materials.

Carry forward: Until 12/21/11.

Tax Year	# of claimants	Cost of qualifying materials	New credit	Total credit	Used	Carry forward
1994	1	//////////	//////////	//////////	//////////	//////////
1995	8	\$117,613,449	\$5,880,673	\$5,880,673	\$4,868,089	\$1,012,584
1996	11	\$23,000,122	\$2,162,591	\$2,162,591	\$944,392	\$1,218,199
1997	10	\$23,547,095	\$2,018,694	\$2,018,694	\$878,822	\$1,139,872
1998	5	\$16,540,741	\$1,567,984	\$1,567,984	\$1,041,619	\$579,484
1999	7	\$17,454,198	\$1,161,103	\$1,161,103	\$414,824	\$746,279
2000	4	-----	-----	\$630,976	\$204,184	\$426,792
2001	3	-----	-----	\$426,792	\$100	\$426,692
2002	3	-----	-----	\$426,692	\$100	\$426,592
2003	2	-----	-----	//////////	//////////	//////////
2004	1	-----	-----	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

➤ Since the creation of this credit, 17 taxpayers have claimed it.

CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS

Statute: A.R.S. § 43-1183

Effective Date: For taxable years from and after 6/30/06 *through* 6/30/11

Repealed: Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed to each taxpayer for the amount of voluntary cash contributions made to a school tuition organization.

Credit: The aggregate amount of the credit is limited to \$10 million in the first year and 20% additional in each fiscal year thereafter until repeal. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.

Carry forward: Five years.

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1165 and 1166

Effective Date: For taxable years from and after 9/30/92

Provisions: The credit is limited to companies certified by the Arizona Department of Commerce as qualified defense contractors by June 30, 2001. Certification is valid for five consecutive taxable years; no new credits can be claimed after tax year 2006. The nonrefundable credit is for a net increase in employment of qualified employees under a United States Department of Defense contract or for a net increase in private commercial employment by a qualified defense contractor due to full-time equivalent positions transferred during the taxable year from exclusively defense related activities to exclusively private commercial activities. A tax credit is also allowed for a portion of property taxes paid on class 3 (commercial or industrial) property.

Credit: For net increases in employment, the credit is \$2500 for each first year full-time equivalent position created, \$2000 for the second year, \$1500 for the third year, \$1000 for the fourth year and \$500 for the fifth year of full-time employment. The credit for property tax paid is determined first by calculating 40% of the property tax if more than 900 new full-time equivalent positions are created, 30% of property taxes for 601 to 900 positions, 20% for 301 to 600 positions and 10% for up to 300 positions. This amount is then multiplied by the percentage determined by dividing the taxpayer's total gross income from USDOD contracts apportioned to Arizona by the taxpayer's total gross income from all sources apportioned to Arizona.

Carry forward: Five years.

	1993	1994	1995	1996	1997	1998	1999
# of claimants	2	2	4	4	4	4	4
1 st year employment	////	////	////	1,097	1,123	227	1,629
2 nd year employment	////	////	////	330	1,171	879	419
3 rd year employment	////	////	////	3,075	742	752	783
4 th year employment	////	////	////	634	56	886	695
5 th year employment	////	////	////			152	828
Employment credit	////	////	////	\$8,002,731	\$10,517,213	\$73,581	\$7,022,562
Property tax credit	////	////	////	\$1,537,532	\$355,411	\$225,167	\$927,393
New credit	////	////	////	\$9,540,263	\$10,872,624	\$298,748	\$7,949,955
Total credit	////	////	////	\$32,539,670	\$41,879,669	\$39,112,013	\$47,790,421
Used	////	////	////	\$3,551,214	\$748,841	\$116,500	\$833,724
Carry forward	////	////	////	\$28,988,456	\$39,112,016	\$39,840,466	\$36,297,743

	2000	2001	2002	2003	2004	2005
# of claimants	3	2	2	2	2	1
1 st year employment	1,447	////	////	////	////	////
2 nd year employment	1,416	////	////	////	////	////
3 rd year employment	283	////	////	////	////	////
4 th year employment	642	////	////	////	////	////
5 th year employment	46	////	////	////	////	////
Employment credit	\$7,539,000	////	////	////	////	////
Property tax credit	\$993,864	////	////	////	////	////
New credit	\$8,532,864	////	////	////	////	////
Total credit	\$43,361,299	////	////	////	////	////
Used	\$1,859,951	////	////	////	////	////
Carry forward	\$32,832,511	////	////	////	////	////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

➤ Since the creation of this credit, six taxpayers have claimed it.

DONATION OF MOTOR VEHICLES TO WHEELS TO WORK PROGRAM CREDIT

Statute: A.R.S. § 43-1177
Effective Date: For taxable years from and after 12/31/98
Repealed: For donations made from and after 7/1/02
Provisions: A nonrefundable credit is allowed for the fair market value of any vehicle that is donated to the wheels to work program. The value of the vehicle is determined by the private entity.
Credit: The maximum credit is \$1500 per vehicle.
Carry forward: Five years.

As of the date of this publication, no claim for the donation of motor vehicles to wheels to work program credit has been found.

EMPLOYER DEPENDENT DAY CARE CREDIT

Statute: A.R.S. § 43-1163

Effective Date: For taxable years from and after 12/31/90 *and ending before 1/1/95*

Repealed: Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed to each taxpayer who incurs expenses for providing dependent day care services for employees of the taxpayer.

Credit: The credit is equal to the lesser of \$15,000 or 50% of the costs incurred to acquire, construct, renovate or remodel dependent day care facilities or property for dependent day care facilities OR equal to the lesser of \$5,000 or 30% of the net costs incurred by the taxpayer to operate dependent day care facilities for employees, as reimbursement or compensation for dependent day care expenses incurred by the employee, and provide information and referral services to assist the taxpayer's employees to obtain dependent day care.

Carry forward: None.

	1991	1992	1993	1994
# of claimants	4	8	7	5
Cost to acquire, construct	Not available	Not available	\$12,585	\$0
Cost to operate, provide	Not available	Not available	\$75,165	\$92,366
Credit	\$6,316	\$9,622	\$19,182	\$6,963
Used	\$5,150	\$7,497	\$18,311	\$6,839

- Since the creation of this credit, 13 taxpayers have claimed it.

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1167.01

Effective Date: For taxable years from and after 12/31/05

Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona national guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona national guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.

Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona national guard.

Carry forward: Five years.

As of the date of this publication, data is not available for this credit.

EMPLOYMENT OF TANF RECIPIENTS CREDIT

Statute: A.R.S. § 43-1175

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, several conditions must be met, including that all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.

Credit: The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	# of new employees	New Credit	Total Credit	Used	Carry Forward
1998	3	81	\$35,325	\$35,325	\$35,325	\$0
1999	5	121	\$49,653	\$49,653	\$47,189	\$2,464
2000	7	95	\$45,405	\$47,869	\$27,648	\$20,221
2001	7	72	\$79,139	\$99,360	\$57,901	\$41,459
2002	8	234	\$173,450	\$184,997	\$173,600	\$11,397
2003	9	408	\$466,292	\$472,478	\$466,392	\$6,086
2004	14	406	\$485,090	\$491,175	\$485,190	\$5,985
2005	9	170	\$109,004	\$114,990	\$22,822	\$22,822

- Since the creation of this credit, seven taxpayers have claimed it.
- From 1998 through 2004, taxpayers reported 1,587 positions eligible for the credit, for a total credit of \$1.4 million. This is a \$910 credit per job.

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1161

Effective Date: For taxable years from and after 12/31/89

Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally this credit had no restriction on retail businesses. Then for a few years, there was complete exclusion of retail businesses.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located, the position must be at least 1,750 hours per year, etc.

Credit: The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claims	# of locations	# of new hires	New credit	Dislocated worker credit	Carry forward	Total credit	Used	Carry forward
1990	6	10	347	\$188,210	\$0	----	\$188,210	\$169,652	\$18,557
1991	16	27	935	\$1,048,964	\$0	\$18,557	\$1,067,521	\$600,268	\$467,253
1992	14	26	363	\$1,707,563	\$17,574	\$465,803	\$2,190,939	\$951,515	\$1,239,424
1993	19	35	506	\$1,979,932	\$74,187	\$1,213,997	\$3,268,116	\$1,472,531	\$1,795,585
1994	30	46	719	\$1,074,955	\$220,001	\$53,338	\$1,348,293	\$1,082,283	\$266,610
1995	36	67	819	\$1,746,504	\$1,371,278	\$230,368	\$3,348,150	\$2,389,334	\$958,815
1996	83	126	3,701	\$3,812,681	\$1,852,926	\$906,269	\$6,571,876	\$3,990,937	\$2,580,939
1997	117	163	3,945	\$7,409,332	\$2,168,014	\$2,600,727	\$12,151,538	\$5,561,172	\$6,419,920
1998	133	200	4,862	\$11,585,549	\$0	\$4,970,044	\$16,555,593	\$8,734,030	\$7,821,563
1999	139	214	4,090	\$12,379,487	\$10	\$7,037,158	\$19,415,575	\$12,621,497	\$6,795,178
2000	135	207	4,179	\$10,442,946	\$0	\$6,596,826	\$17,039,772	\$8,735,180	\$8,304,592
2001	142	244	2,985	\$9,431,205	\$2,219	\$8,701,640	\$18,137,283	\$7,043,744	\$11,093,539
2002	130	202	1,853	\$7,049,625	\$0	\$8,075,624	\$15,125,249	\$6,509,250	\$8,615,999
2003	119	208	2,427	\$5,879,107	\$0	\$7,884,635	\$13,763,742	\$6,124,837	\$7,582,973
2004	113	236	4,013	\$5,328,847	\$0	\$7,402,028	\$12,730,875	\$7,532,667	\$4,615,711
2005	76	162	3,200	\$5,080,540	\$0	\$3,623,651	\$8,704,191	\$4,891,972	\$3,428,826

- Since the creation of this credit, 365 taxpayers have claimed it.
- Since 1990, 38,944 jobs have been claimed under this credit, for a total credit amount of \$85.8 million. This is an average credit of \$2,204 per job.

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1169

Effective Date: For taxable years from and after 12/31/92

Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.

Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.

Carry forward: Fifteen years.

	# of claimants	Cost of equipment or property	New credit	Total credit	Used	Carry forward
1993	1	//////////	//////////	//////////	//////////	//////////
1994	4	\$112,903,166	\$11,290,316	\$16,245,878	\$2,329,787	\$13,916,091
1995	5	\$278,383,768	\$27,838,377	\$41,754,468	\$15,821,459	\$25,933,009
1996	6	\$97,162,732	\$9,716,273	\$35,649,281	\$2,556,477	\$33,092,804
1997	3	\$18,739,637	\$1,873,964	\$34,966,768	\$38	\$34,966,730
1998	4	\$15,537,470	\$1,553,749	\$36,520,479	\$365,267	\$36,155,212
1999	3	\$6,815,794	\$681,579	\$36,836,791	\$69,877	\$36,766,914
2000	3	\$0	\$0	\$36,766,914	\$26,658	\$36,740,256
2001	3	\$0	\$0	\$37,088,205	\$1,084,588	\$36,003,617
2002	2	\$0	\$0	//////////	//////////	//////////
2003	2	\$0	\$0	//////////	//////////	//////////
2004	2	\$0	\$0	//////////	//////////	//////////
2005	0					

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

- Since the creation of this credit, 7 taxpayers have claimed it.
- Nearly \$58 million in credit has been created, an average of \$8.3 million in credit per taxpayer participating.

HEALTHY FOREST ENTERPRISE

Statute: A.R.S. § 43-1162

Effective Date: For taxable years from and after 12/31/04 through 12/31/14

Repealed: Repeal date set when credit enacted.

Provisions: A business may qualify for a nonrefundable credit, if certified by the Department of Commerce as a healthy forest enterprise. The business must enhance or sustain forest health, sustains or recovers watershed or improves public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.

Credit: The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee's year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid.

Carry forward: Five years

MILITARY REUSE ZONE CREDIT

Statute: A.R.S. § 43-1167

Effective Date: For taxable years from and after 12/31/92 (although no military reuse zones were designated until 1996)

Provisions: A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.

Credit: For each employee that is not a dislocated military base employee, the credit is \$500 in the 1st year of employment and increases in \$500 increments until it reaches \$2500 in the 5th year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1st year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5th year of employment.

Carry forward: Five years.

	# of claimants	# of employees	New credit	Total credit	Used	Carry forward
1993	0					
1994	0					
1995	0					
1996	3	20	\$18,000	\$18,000	\$4,731	\$13,269
1997	3	52	\$33,000	\$34,888	\$11,888	\$23,000
1998	3	//////////	//////////	//////////	//////////	//////////
1999	3	3	\$98,500	\$175,336	\$170,634	\$4,702
2000	3	8	\$109,000	\$113,702	\$97,440	\$16,262
2001	3	29	\$122,500	\$131,312	\$109,373	\$21,939
2002	1	//////////	//////////	//////////	//////////	//////////
2003	2	//////////	//////////	//////////	//////////	//////////
2004	2	0	\$0	//////////	//////////	//////////
2005	0					

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

- Since the creation of this credit, five taxpayers have claimed it.
- Slightly more than 206 jobs have been claimed under this credit, for about \$638,000. This is \$3,097 in credit per employee.

MOTION PICTURE PRODUCTION COSTS CREDIT

Statute: A.R.S. § 43-1163

Effective Date: For taxable years from and after 12/31/05 through 12/31/10

Provisions: A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona. The taxpayer must receive pre-approval and post-approval from the Department of Commerce; acknowledge that the production was filmed in Arizona (except for commercial advertisements); incur production costs of at least \$250,000 in a 12 month period, employ the statutorily required percentage of Arizona residents during production activities in Arizona (25% of full-time employees in 2006, 35% in 2007, and 50% in 2008 and thereafter). To maintain eligibility, the taxpayer must begin production within four months of the pre-approval date. To claim the credit the taxpayer must submit a viewable copy of the production, submit a Completion Report within 30 days of completion, and receive post-approval from Commerce. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Credit: The amount of the credit is based on qualified production costs in Arizona equal to 10% of costs from \$250,000 to \$1 million; 15% of costs from \$1,000,001 to \$3 million; and 20% of costs more than \$3 million. The total corporate and individual tax credit (reference A.R.S. § 43-1075) will not exceed \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. The tax credit for an individual motion picture will not exceed \$5 million.

Carry forward: Five years.

As of the date of this publication, no claim for the motion picture tax credit has been found.

POLLUTION CONTROL DEVICE CREDIT

Statute: A.R.S. § 43-1170

Effective Date: For taxable years from and after 12/31/94

Provisions: A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.

Credit: The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.

Carry forward: Five years.

	# of claimants	Cost of property	New credit	Total credit	Used	Carry forward
1995	21	\$79,797,815	\$5,205,329	\$5,205,329	\$3,110,818	\$2,094,511
1996	29	\$54,365,441	\$4,332,277	\$6,937,066	\$4,498,473	\$2,438,593
1997	27	\$44,302,215	\$2,041,197	\$3,891,947	\$2,202,316	\$1,948,756
1998	26	\$70,399,042	\$4,317,076	\$8,707,493	\$4,241,078	\$4,382,127
1999	36	\$106,566,052	\$6,542,905	\$12,259,058	\$6,879,188	\$6,362,017
2000	39	\$48,740,822	\$4,225,446	\$11,289,394	\$3,860,440	\$7,428,954
2001	35	\$53,766,046	\$3,054,988	\$7,041,120	\$2,696,972	\$4,344,148
2002	31	\$23,419,654	\$2,123,842	\$6,660,082	\$1,716,687	\$4,943,395
2003	29	\$28,690,140	\$2,585,748	\$7,554,913	\$2,412,182	\$4,989,084
2004	22	\$25,049,128	\$2,206,582	\$5,766,900	\$1,174,893	\$4,267,084
2005	16	\$38,328,687	\$2,097,125	\$6,238,814	\$1,980,608	\$3,878,349

- Since the creation of this credit, 90 taxpayers have claimed it.
- The average cost of pollution control property over the ten-year period is \$1.9 million.
- Based on a total \$38.7 million in credit created, the average credit claimed per taxpayer for the ten-year period is \$430,362.

RECYCLING EQUIPMENT CREDIT

Statute: A.R.S. § 43-1164

Effective Date: For taxable years from and after 12/31/92

Repealed: Effective 1/1/00.

Provisions: A nonrefundable credit is allowed to a taxpayer that places recycling equipment in service in Arizona. Recycling equipment is defined as new or used equipment purchased during the tax year and used exclusively to process post-consumer select solid waste materials and manufacturing machinery used exclusively to produce finished products, the composition of which is at least 25% post-consumer select solid waste materials. Select solid waste means paper, plastic, scrap metal and iron, glass and rubber.

Credit: The amount of the credit is equal to 10% of the installed cost of the equipment. The credit may not exceed 25% of the tax liability for the tax year or \$5,000.

Carry forward: Fifteen years, but limited to use through 12/31/05.

	# of claimants	Cost of equipment	New credit	Total credit	Used	Carry forward
1993	0					
1994	3	\$859,542	\$85,919	\$85,919	\$14,920	\$70,999
1995	5	\$516,776	\$51,678	\$122,676	\$14,851	\$107,825
1996	4	\$350,132	\$35,013	\$142,144	\$11,167	\$130,977
1997	4	\$312,030	\$31,203	\$161,315	\$10,672	\$150,643
1998	4	\$1,237,090	\$123,709	\$274,352	\$12,660	\$261,692
1999	4	\$291,586	\$29,158	\$250,210	\$16,028	\$234,182
2000	5	\$42,400	\$4,240	\$238,422	\$15,626	\$222,796
2001	4	----	----	\$218,919	\$21,442	\$197,477
2002	4	----	----	\$197,477	\$5,145	\$192,332
2003	4	----	----	\$192,332	\$3,426	\$188,906
2004	2	----	----	//////////	//////////	//////////
2005	1	----	----	//////////	//////////	//////////

- Since the creation of this credit, ten taxpayers have claimed it.
- The average cost of recycling equipment over the seven-year period for the ten taxpayers is \$360,956.

RESEARCH & DEVELOPMENT CREDIT

Statute: A.R.S. § 43-1168

Effective Date: For taxable years from and after 12/31/92

Provisions: This nonrefundable credit is for research and development expenses.

Credit: Through tax year 2000, this credit had a limit of \$500,000 in a tax year. Effective with taxable years beginning from and after 1/1/01, the credit is computed as follows:

1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.

2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.

3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,

a. For taxable years beginning from and after 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million

b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

If the taxpayer has qualified research expense carry forward from taxable years beginning before 1/1/01, the expenses convert to credit by multiplying expense carry forward by 20%. The amount of the credit carry forward from taxable years beginning from and after 12/31/02 that may be used in a taxable year may not exceed tax liability after subtracting current year credit. Credit carry forward from taxable years beginning before 1/1/03 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit.

Carry forward: Fifteen years.

	# of claimants	Total r&d expenses and payments	New credit ⁸	Total credit	Used	Credit value of limited expense carry forward	Unlimited carryforward
1993	23	\$5,558,659	\$617,710	\$617,710	\$403,663	\$632,405	
1994	89	\$156,284,525	\$5,206,158	\$5,445,055	\$3,062,056	\$26,466,029	
1995	85	\$162,826,676	\$8,595,822	\$9,559,521	\$6,149,046	\$49,857,808	
1996	111	\$331,808,012	\$13,461,458	\$15,758,856	\$9,881,387	\$100,583,439	
1997	134	\$275,406,130	\$17,428,103	\$19,559,025	\$11,097,014	\$82,219,251	
1998	129	\$482,316,974	\$17,873,965	\$19,458,253	\$9,052,370	\$191,350,577	
1999	139	\$646,004,522	\$18,889,822	\$20,052,034	\$10,457,350	\$294,579,637	
2000	127	\$949,415,557	\$22,616,609	\$24,550,264	\$9,458,350	\$423,756,278	
2001	137	\$568,245,101	\$34,297,810	\$38,883,341	\$10,976,153	\$473,859,203	
2002	136	\$487,335,748	\$35,320,599	\$46,567,331	\$11,627,431	\$516,603,233	
2003	143	\$489,515,159	\$63,090,510	\$78,410,641	\$25,771,632	\$524,039,054	\$39,264,128
2004	154	\$593,877,372	\$75,392,907	\$103,672,224	\$32,799,603	\$509,530,430	\$81,239,034
2005	92	\$648,541,075	\$79,175,212	\$145,104,890	\$38,240,498	\$443,247,521	\$114,688,501

- Since the creation of this credit, 378 taxpayers have claimed it.
- Over \$5.8 billion in research & development expenses and payments have been claimed by taxpayers since 1993, for an average expense of \$14.1 million over the twelve-year period.
- The average "New Credit" per taxpayer increased from \$178,084 in 2000 to \$250,349 in 2001, which coincides with the increase in the credit cap from \$500,000 to \$1,500,000. The average increased again in 2002 to \$259,710. In 2003, with the removal of the credit cap, the average credit was \$441,192. Preliminary 2005 numbers reflect an average of \$860,600.

⁸ These numbers reflect the credit limits, depending on how many years the credit has been claimed.

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1181

Effective Date: For taxable years from and after 12/31/00

Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona, must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.

Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.

Carry forward: Five years.

	2001	2002	2003	2004	2005
# of taxpayers	2	4	2	3	3
Cost of donated property	////////	////////	////////	\$2,054,910	\$4,163,053
Credit created	////////	////////	////////	\$616,473	\$1,248,916
Credit used	////////	////////	////////	\$616,473	\$1,248,916
Credit carry forward	////////	////////	////////	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

**SOLAR HOT WATER HEATER PLUMBING STUB OUTS AND ELECTRIC VEHICLE
RECHARGE OUTLETS CREDIT**

Statute: A.R.S. § 43-1176

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:

1. Solar hot water plumbing stub outs. The stub out must include two insulated 3/4 inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.

2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.

Credit: The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.

Carry forward: Five years.

Claims have been recorded for this credit for tax year 2000, but there are too few to release information at this time.

SUMMER SCHOOL AND JOBS CREDIT

Statute: Laws 1995, HB2227, Chapter 236 and Laws 1996, SB1047, Chapter 309
Effective Date: For taxable years beginning from and after 12/31/94 *through* 12/31/96
Repealed: Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for qualifying employers for the amount of wages paid by the employer to students who are enrolled in summer school half days and employed by the qualified employer during the other half of the day.
Credit: The maximum credit equaled half of the wage paid to the student up to a maximum of \$3 per hour, with a maximum of 20 hours of work per week.
Carry forward: None.

Claims have been recorded for this credit for tax year 1995, but there are too few to release information.

TAXES PAID FOR COAL CONSUMED IN GENERATING ELECTRICAL POWER CREDIT

Statute: A.R.S. § 43-1178

Effective Date: For taxable years from and after 12/31/97

Provisions: A nonrefundable credit is allowed for purchases of coal consumed in generating electrical power in Arizona.

Credit: The credit is equal to 30% of the amount paid by the seller or purchaser as transaction privilege or use tax with respect to the coal sold to the taxpayer.

Carry forward: Five years.

	# of claimants	TPT or use tax paid	New Credit	Total Credit	Used	Carry Forward
1998	4	\$3,053,275	\$915,983	\$915,983	\$678,039	\$237,044
1999	4	\$3,607,134	\$1,067,569	\$1,305,513	\$803,476	\$502,037
2000	3	\$3,716,675	\$1,115,002	\$1,617,039	\$778,015	\$839,024
2001	3	\$6,388,155	\$1,916,447	\$2,755,471	\$1,556,016	\$1,199,455
2002	3	\$5,417,396	\$1,865,219	\$3,064,674	\$1,504,851	\$1,559,823
2003	3	\$5,285,088	\$1,585,520	\$3,145,343	\$1,229,020	\$1,744,443
2004	3	\$4,312,183	\$1,293,658	\$3,038,101	\$908,990	\$1,799,254
2005	2	////////	////////	////////	////////	////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

- Since the creation of this credit, five taxpayers have claimed it.
- Over the 8 year period, \$34.3 million in transaction privilege or use tax has been paid on coal consumed in generating electrical power. This translates into \$686 million in taxable sales.

TECHNOLOGY TRAINING CREDIT

Statute: A.R.S. § 43-1179

Effective Date: For taxable years from and after 12/31/00 and ending before 1/1/06

Provisions: A *refundable* credit is allowed for providing technological skills training to not more than 20 of the taxpayer's employees.

Credit: The credit is equal to 50% of the amount actually spent during the taxable year for the cost of the training, but not more than \$1500 per employee. The total amount of credits that can be granted (through a Department of Commerce certification program) is \$2.5 million.

	# of Claimants	Credit	Credit Used Against Liability	Credit Refunded
2001	11	\$46,286	\$35,010	\$11,276
2002	4	\$41,083	\$30,000	\$11,083
2003	3	\$33,426	\$33,006	\$420
2004	3	\$39,963	\$36,268	\$3,695
2005	2	////////	////////	////////

Eleven different taxpayers have claimed this credit in the five years.

UNDERGROUND STORAGE TANKS CREDIT

Statute: A.R.S. § 43-1173

Effective Date: For taxable years from and after 12/31/93

Repealed: The legislation repealing this credit had a general effective date of August 25, 2004.

Provisions: A nonrefundable credit is allowed for expenses incurred by an individual or taxpayer who is not liable or responsible for a corrective action as an owner or operator of an underground storage tank, for corrective actions taken with respect to the release of a regulated substance from an underground storage tank.

Credit: The credit is equal to 10% of the amount spent to take any corrective action certified by the Arizona Department of Environmental Quality.

Carry forward: None.

- Since the creation of this credit, four taxpayers have claimed the credit but too few of them have claimed it in any given year to allow the reporting of the amounts.
- Over the eight-year period, less than \$50,000 in expenses incurred has been reported.

VEHICLE REFUELING APPARATUS CREDIT

Statute: A.R.S. § 43-1174.01

Effective Date: For taxable years from and after 12/31/98

Provisions: A refundable credit is allowed for the purchase of a vehicle refueling apparatus, including storage tanks, for installation on one or more properties in Arizona for the taxpayer's use. Vehicle refueling apparatus means either a maximum 10 to 15 standard cubic feet per minute natural gas compression appliance used for slow fill, on-site refueling or equipment necessary to provide an electric charge for an electric vehicle. Prior to 1/01/00, this credit was not refundable.

Repealed: To qualify for the credit, the vehicle refueling apparatus must be installed on or before 12/31/00 or the taxpayer has paid in full for the vehicle refueling apparatus before 11/9/00.

Credit: The credit is the cost of the vehicle refueling apparatus. The nonrefundable credit was equal to the greater of \$2000 or the cost of the vehicle refueling apparatus.

Carry forward: Five years.

NONREFUNDABLE	1999	2000⁹	2001	2002	2003	2004
# of claimants	7	4	4	3	1	1
# of apparatus	9	--	////////	////////	////////	////////
Apparatus cost	\$26,172	--	////////	////////	////////	////////
Credit	\$29,765	--	////////	////////	////////	////////
Total credit	\$29,765	\$8,712	////////	////////	////////	////////
Used against liability	\$13,630	\$2,180	////////	////////	////////	////////
Carry forward	\$16,135	\$6,532	////////	////////	////////	////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

➤ Since the creation of this credit, nine taxpayers have claimed it.

REFUNDABLE	2000	2001
# of claimants	12	0
# of refueling apparatus	21	
Refueling apparatus credit	\$123,104	
# of apparatus installations	4	
Apparatus installation credit	\$15,836	
Credit	\$138,940	
Used against liability	\$46,332	
Refunded	\$92,608	

⁹ All nonrefundable 2000 claims are claims of carry forward from 1999.

